

# Sustainable Homeownership in a Changing Market

## Under One Roof Conference

DCU Center, Worcester

November 13, 2012

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Massachusetts Housing Partnership



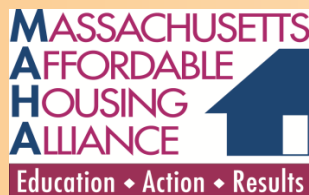
**Massachusetts  
Housing  
Partnership**

160 Federal Street  
Boston, MA 02110  
617-330-9955  
[www.mhp.net](http://www.mhp.net)

**Result of a highly charged 1989  
Federal Reserve Bank of Boston  
study on discrimination in mortgage  
lending**

**In continuous operation since 1991  
Over 16,000 homebuyers served**

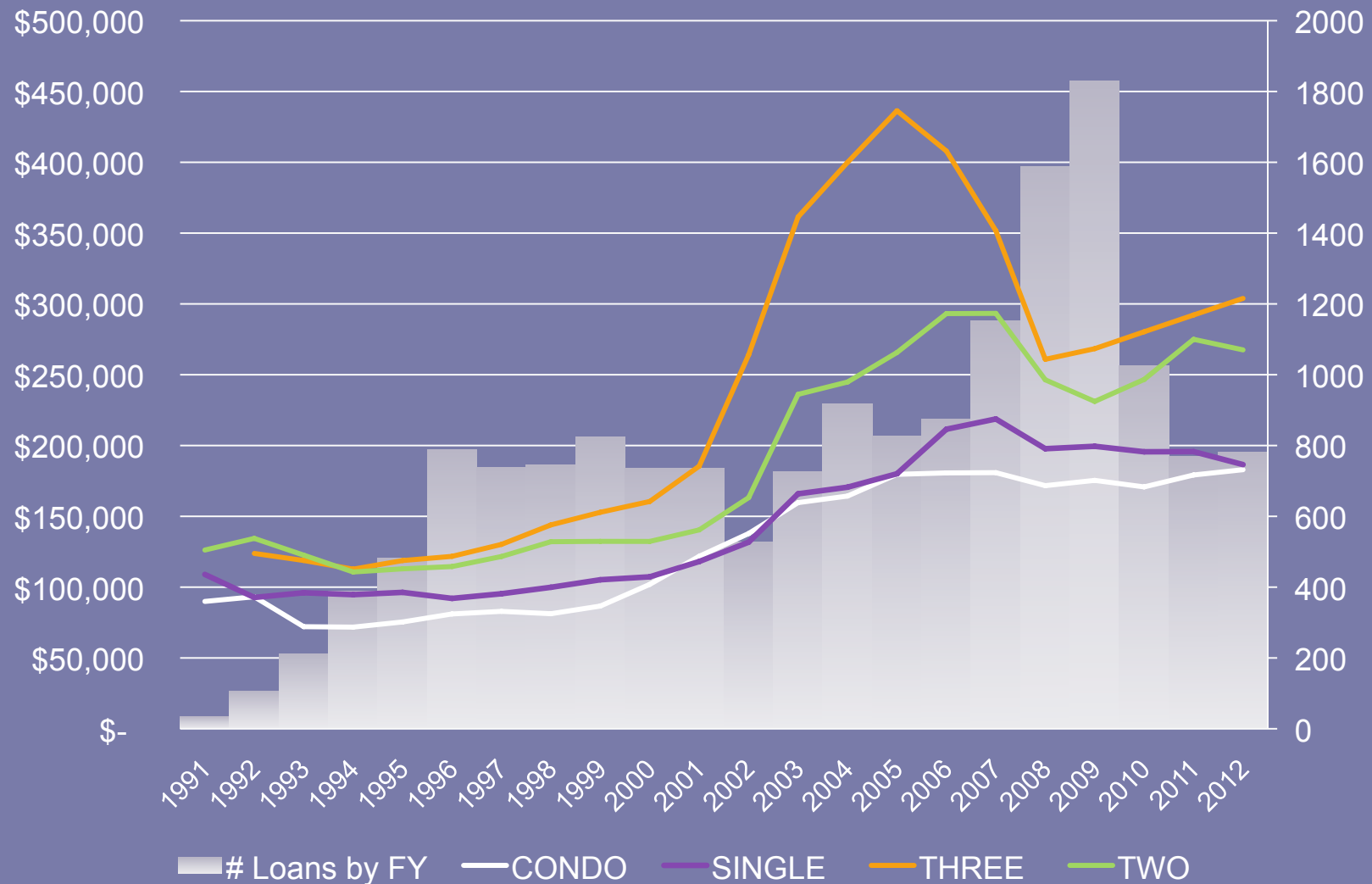
## Program History



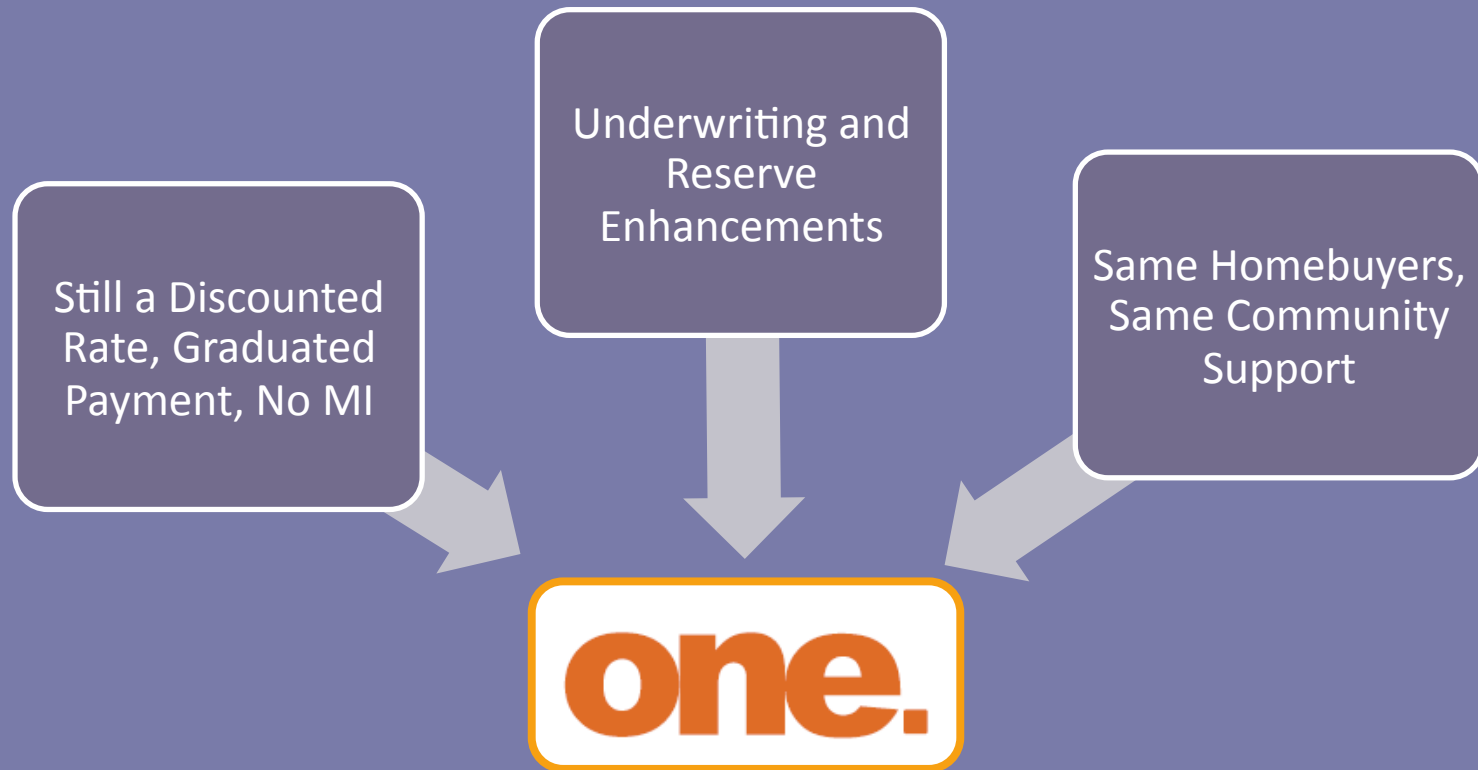
# Households Served

- **Household Income:** Consistent with the past years, 52 percent of SoftSecond buyers were at or below **60** percent of area median income. Compliance income (which includes all income from all sources, despite acceptance for loan underwriting) was \$53,824 in FY12, compared to median income in the Boston area, currently \$97,800.
- **Race and Ethnicity:** In FY12, 40 percent of home buyers statewide and 61 percent of Boston home buyers identified as non-white and/or Hispanic/Latino.
- **SoftSecond in Gateway Cities:** In FY12, 36% of homes purchased were in Gateway Cities; an additional 17% were in the City of Boston.
- **Performance:** Consistent with prime mortgages in Massachusetts. As of June 30, 2012, delinquency rate of 5.92 (5.27 for prime loans in MA) and foreclosure rate of 1.07 (1.91 for prime loans in MA).

# SoftSecond Average Purchase Prices by Property Type and Annual Volume



# What's Next?





# Structure

3%

Down  
Payment

**Amount:** 3% minimum ; 1.5% required from borrower's own funds, remaining amount can be gift or grant (5% for three-families; 3% from borrower's own funds)

97%

Mortgage

**Amount:** Up to 97% of the purchase price (95% for three-family properties)

**Term:** 30 years (Homeowner pays full P&I)

**Mortgagee:** Participating lender; backed by a publicly funded loan loss reserve

**Rate:** No greater than thirty basis points below the Freddie Mac 30 year fixed rate, with no points charged to the borrower

Subsidy  
Mortgage

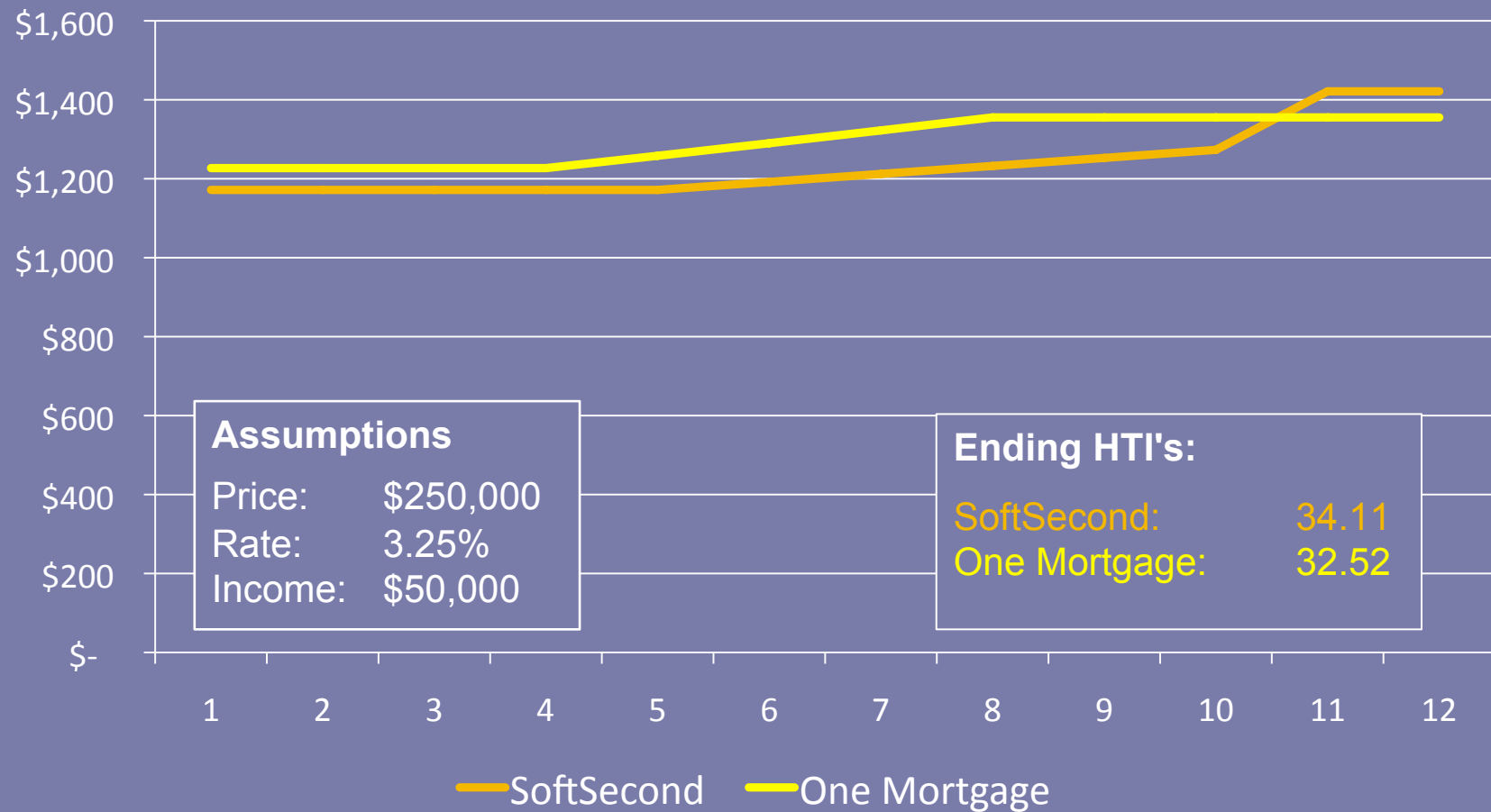
**Amount:** Equal to the total public funds used to subsidize mortgage payments

**Term:** Subsidy recapture provision triggered upon sale or transfer

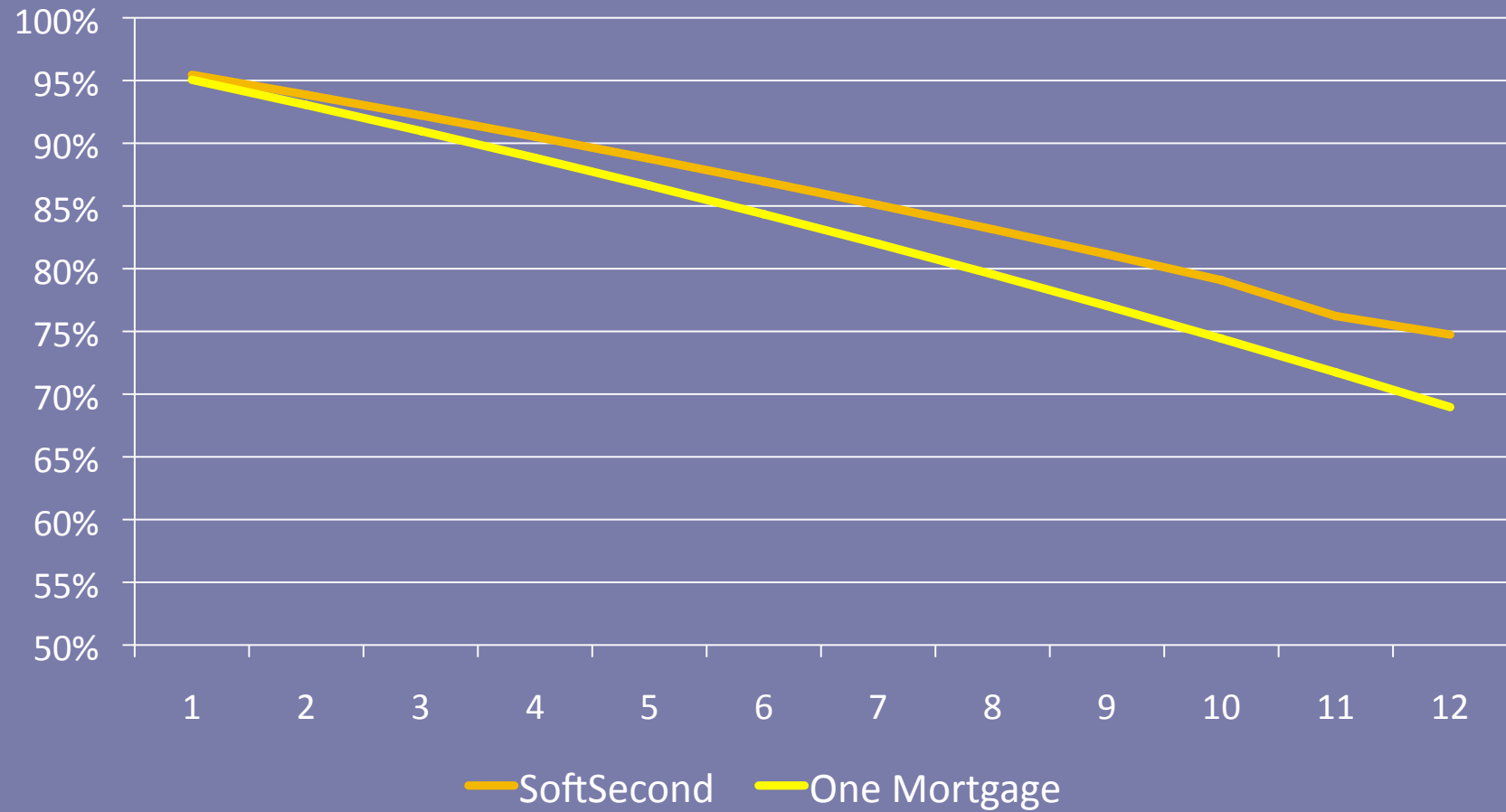
**Mortgagee:** MHP

**Rate:** 0

# Payment Schedule Comparison



# Loan to Value Ratio Comparison





# Coming in 2013



*A Mortgage Program of the Massachusetts Housing Partnership*

[www.mhp.net/homeownership](http://www.mhp.net/homeownership)

